of petrochemical complexes on a regional balance, in fact, I have taken a personal interest in this and I have instructed my Department that there should be the regional balancing out in setting up of the petrochemical industries in different parts of the country. As the hon. Member rightly pointed out, it also depends on the feedstock availability. As of now, we have a petrochemical complex already in Haldia, and also in Assam there is already the Bongaigaon Petrochemical Refinery Limited. And the Assam Government in the eastern region has asked for a petrochemical complex. We have asked the Government to have a feasibility report study done. Then only we can take up this matter. And I am very happy. It is a very good suggestion. I have personally taken interest. *(Interruptions)*

THE DEPUTY CHAIRMAN: Question No. 105.

Observation of the National Campaign Committee on drug policy

@*105. SHRI T. CHANDRASEKHAR REDDY:†
SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the observations made by the Chairman of the National Campaign Committee on drug policy, Dr. Bhasker Roy Chowdhury, as reported in the 'Hindustan Times' of June 9, 1987 to the effect that the new drug policy is heavily weighed in favour of the multinationals to the detriment of the Indian sector and the consumer in India; and

(b) if so, what were the precise observations made by him and how far the Government agrees therewith?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETROCHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI R. K. JAICHANDRA SINGH): (a) Yes, Madam.

(b) The news item referred to in Part (a) of the Question contains the comments of Dr. Roy Chowdhury. By and large, these appear to be based on some misconceptions.

SHRI T. CHANDRASEKHAR REDDY: Madam, I would like to know one thing from the hon. Minister. The Supreme Court has given a judgment to collect 200 to 300 crores of rupees from the multinationals. Have they collected it?

THE DEPUTY CHAIRMAN: Just now it has been answered.

SHRI J. VENGAL RAO: Madam, Mr. Chandrasekhar Reddy has again put this question. I have already answered this question.

SHRI T. CHANDRASEKHAR REDDY: Madam, I was not here when he answered this question...

SHRI VISHVJIT PRITHVIJIT SINGH: Mr. Reddy was quoting the Supreme Court judgment.

SHRI T. CHANDRASEKHAR REDDY: On 10th April, 1987, the Supreme Court directed the Government...

THE DEPUTY CHAIRMAN: The question has already answered. You put your second question now.

SHRI T. CHANDRASEKHAR REDDY: I do not have any second question.

SHRI RAJNI RAJAN SAHU: Madam, the hon. Minister has partly agreed that the new drug policy is heavily weighted in favour of multinationals to the detriment

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@Previously Starred Question 45 transferred from the 29th July, 1987.

†The question was actually asked on the floor of the House by Shri T. Chandrasekhar Reddy.

of the Indian sector and the consumer in India, when he replied as 'Yes, Sir' to part (a) of the question. He said that there is some misconception. I would like to know from the hon. Minister as to what are the disincentives to the multinationals in the new drug policy or the new measures.

SHRI R. K. JAICHANDRA SINGH: Madam, we have said on a number of occasions that in the new measures, the conditions of the FERA companies have been much more stringent. Their entry has been restricted to only 66 items now while under the earlier policy they could enter into the manufacture of any item which would involve high technology or basic stage manufacture. The ratio parameter between the bulk and formulations has also been reduced from 1.5 to 1.4 for FERA companies. The new measures were appreciated by the pharmaceutical industry in general. I think that is about all that has been asked. These are some of the disincentives. And it is not true that the new measures are in favour of the multinational companies or anti-people. In fact, recently all these people, including Mr. Roy Choudhary, and a number of other people met the department officials. We have explained to them and they were very happy and they said that they would be cooperating in implementing this policy and they had gone back with great satisfaction.

SHRI M. KADHARSHA: Madam, I would like to say that the drug policy is not only pro-rich but also pro-multinational. The Government has succumbed to the pressure of multinationals for delicensing the drugs. The Government has proposed to decontrol prices of 70 per cent of drugs and have provided in the new measures that the Ministry will strictly monitor the prices of decontrolled medicines. I would like to know from the hon. Minister how increases in prices can be prevented merely by monitoring when there are no limits on profitability and when the cost of production of these decontrolled formulations will not be monitored as per the new measures.

SHRI R. K. JAICHANDRA SINGH: Madam, I will try to answer the last question first. About profitability, it would be erroneous to say that there is no limit on profitability because the new DPCO has not come into effect. The Government is considering this question. The question of not having a limit on profitability does not arise. Regarding the first question I have already answered that there are some stringent measures on delicensing. Since the new measures have come into existence since December 1986 there has been no delicensing under the criteria set out by the Government. The earlier delicensing was done much earlier to 1986. It was done in 1984 and that has been done due to certain criteria and this is done specially with regard to those items where production is not sufficient. The availability question has come up time and again and this is where I have said that unless we delicense other competitors will not come and invest in this sector. Then the availability question will be seriously hampered. This is why the earlier delicensing policy of 1984 was done.

SHRI VISHVJIT PRITHVIJIT SINGH: I would not like to argue with the hon. Minister when he said that delicensing was done only where sufficient production was not there because I have given figures to the Hon. Minister where I have said and proved by his own statements made in the House that even where proper production is available according to planned targets, the drugs have been delicensed. I have asked the hon. Minister to kindly review that position and he says privately 'yes' I am going to do it, but publicly he says, we are not going to do it. Everybody has raised so many points. But the basic is of multinational companies. How do we deal with these multinational companies? Either we treat them as multinational companies, give them a particular area and say this is an area in which you can operate. Today multinational companies have to come under the FERA Act, reduce their equity and become for all practical purposes ex-FERA companies. But they are still multinational companies. They are still controlled by their principals abroad. They are still foreign companies. But they are treated on

par with Indian companies. We had expected and an exercise was on in the Government of India, in the different departments, including the department headed by the hon. Minister, including the Finance Ministry also, where too a tremendous exercise was on...

THE DEPUTY CHAIRMAN: I hope you will leave some time for the Minister to answer.

SHRI VISHVJIT PRITHVIJIT SINGH: Yes, yes, there is plenty of time. One of the exercises was to try and categorise the Non-FERA companies into a special category and that categorisation has not come about. The problem, as the hon. Minister knows and he knows it very well, because he has discussed it in various fora, is of the multinational ex-FERA companies. I would like to know from the hon. Minister what is going to be his attitude, what is the attitude of his department to the recommendations as he made to the Finance Ministry regarding ex-FERA multinational companies? Are they going to come under some ambit or control or are they going to be left totally free to do what they like to profiteer, to take the money out of this country and to do what they like. I would like to know this from the hon. Minister.

SHRI J. VENGAL RAO: The hon. Member, Mr. Vishvjit Singh is one of our Consultative Committee Members. He raised so many questions and I sent him answers in writing. He expressed his opinion in the Consultative Committee, and he is satisfied with my answers. If he still has any doubt, we will certainly satisfy him.

THE DEUPTY CHAIRMAN: Next question.

*106. [*The questioners (Shri T. R. Balu and Shri V. Gopalsamy) were absent. For answer,* vide *col.* 33—38 infra.]

*107. [*The questioners (Shri Kapil Verma and Shri V. Narayanasamy) were absent. For answer,* vide *col.* 36-37 infra]

*108. [*The questioner Shri Santosh Kumar Sahu) was absent. For answer* vide 37—42 infra]

*109. [*The questioners (Shri Ashwani Kumar and Shri Lal K. Advani) were absent. For answer,* vide *col.* 43 infra].

*110. [*The questioner (Shri Sukomal Sen) was absent. For answer,* vide *col.* 43-44 infra.]

*111. [*The questioners (Shri M.A. Baby and Shri Nirmal Chatterjee) were absent. For answer,* vide *col.* 44-45 *infra*].

112. [*The questioners (Shri Chitta Basu) was absent. For answer,* vide *col.* 45 infra].

*113. [*The questioner (Shri V. Narayanasamy) was absent. For answer,* vide *col.* 45-46 infra.].

Number of oil wells drilled in cauvery basin

*114. SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the number of oil wells drilled in the Cauvery basin;

(b) what is the quantum of oil taken from those wells; and

(c) whether there is any proposal to start an oil refinery in Tanjore District for utilising the Cauvery Basin crude oil?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) Thirty two on-land and twenty off-shore wells have been drilled in Cauvery basin so far.

(b) Presently, about 36 tonnes of oil per day is being produced from two wells through extended production testing.

(c) There is no such proposal at present.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: It has been reported in the press that after the drilling of new wells in the Cauvery Basin, adequate quantity of petroleum has been found to estab-